

# PRAVEER SINHA

CEO and MD, Tata Power Company Ltd

## Govt to revisit, revise power distribution guidelines in National Electricity Policy

The Government's policies pertaining to distribution of power needs to encourage private sector participation through Public Private Partnership route of Franchisee model so that fundamental transformation and changes takes place in the existing distribution system being run and operated by State Government owned Discoms. This will not only benefit the consumers with better services and cost effective supply but also the whole power sector along with the related economic and industrial growth., believes Praveer Sinha, Chief Executive Officer and Managing Director, Tata Power Company Ltd, part of \$130.13 billion Tata group and a leading player in the electric utility space. In conversation with Manu Tayal, Saur Energy International, Sinha shared his views on various issues which the power sector is currently dealing with along with his company's future plan of action in the renewable energy segment. Following are the excerpts from that exclusive interview.

**Q** As in recent quarters Tata Power's renewable portfolio proved to be a boon for the financial health of the company. How do you see the future of the company's renewable segment in the country in coming years? As Tata Power aims to achieve up to 40% of its generation capacity from non-fossil fuel by 2025. Please explain what will be your action plan to achieve it?

Renewable energy is going to play a big role in the coming years with the Government's ambitious target of '24X7 Power for All by 2019'. A special World Energy Outlook report of the International Energy Agency says that by 2040, over 50% of India's new generation capacity will come from renewables and nuclear energy. Solar power is a focus area of the government with 100 GW installation being targeted by 2022. At Tata Power, our renewable portfolio is doing very well. We are planning to expand it substantially by adding 1000 MW every year for next 5 years. Today, renewable accounts for 30% of our business and we aim to scale it to 45-50% in the next five years, largely through organic growth. While the Company will focus on solar energy generation the most, both utility-scale and rooftop solar, it will also actively participate in high technology area of floating solar and offshore wind projects too.

**Q** Last year, Tata Power emerged as the top player in India's rooftop solar installation portfolio. What

do you think were the factors that remained supportive as compared to your competitors?

The solar rooftop market is growing steadily and is going to be a big opportunity for consumers & developers. With the rising costs of conventional sources of energy, there has been a shift in the mind-set of the society to use alternative energy sources. This change is in line with Tata Power's vision of sustainable development.

We have always aimed to focus on customer-centricity. We provide our Commercial, Industrial and residential customers with modular, scalable, designs for easy upgrades. We also support them with Network Operating System Centre (NOC) as a tool to provide value added services to the customers. It enables remote monitoring and management of rooftop solar systems, live data tracking and analysis, provides instant insights and real-time monitoring – ensures maximum generation & uptime. Moreover, all the Tata Power solar designs have embedded safety aspects for its safe and secure operations. These are some of the key differentiators being provided by Tata Power in renewable space.

**Q** Government is mulling to replace fossil fuel vehicles with EVs by 2030. In your view, how easier could be the path for the government to achieve this target? And what will be the overall agenda of Tata Power for setting up of an EV charging units in India?

With the government's ambitious plans to have more than 10



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Developing and maintaining the right mix of the energy portfolio of power producing companies will hold the key to strategically grow in the sector. ●

million electric vehicles on the road by 2030, there is a need of providing proper and secure charging infrastructure along with charging stations. Due to high growth potential of this sector, it makes it imperative to address infrastructure bottlenecks including network upgrade challenges. In addition to this, there is a necessity to create proper facilities for safe and eco-friendly disposal of used batteries.

Tata Power has established the public Electric Vehicle charging station at Mumbai and Delhi to make Mumbai and Delhi EV ready. Being the first to propagate the change towards sustainable energy, Tata Power aims to support the government's plan to replace petroleum product run vehicles with electric vehicles by 2030, by installing proper and adequate charging stations at strategic locations. With 12 charging stations already launched in Mumbai and 5 in Delhi, Tata Power aim's is to build a network of EV charging facilities to make it easier for people to adopt to EVs and be future ready. It has recently partnered with Tata Motor's to deliver on the Maharashtra Government and Group's vision of making Maharashtra EV ready and improving India's carbon footprint and thereby enabling the customers with a sustainable future.

**Q As India is marching towards universal power access for all. What is your take on electricity demand in the country?**

While most of the power produced in India is from thermal sources, the non-availability of fuel for thermal generation is posing a big challenge at present. This has had a ripple effect on the financial health of power producing firms leading to stressed assets and NPAs that are giving a negative outlook to the investors, private players and financial institutions. Developing and maintaining the right mix of the energy portfolio of power producing companies

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will hold the key to strategically grow in the sector. New and innovative solutions need to be looked at to meet demand. Electricity demand can also be met through innovative off grid solutions and distributable generation options.

**Q Being one of the established players in the transmission & distribution segment, what future scope did you see in the next 2-3 years?**

To succeed and survive, Indian Discoms need to quickly embrace digital technology tapping the sophisticated technologies like IoT, analytics, automation and cloud to generate higher efficiency. This will make the energy value chain more intuitive and customer centric through grid modernisation, asset optimisation, improving resiliency of the ageing infrastructure, minimising T&D losses and boosting the efficiency of power distribution - and leveraging connected distributed energy resources. This is vital as the financial health of Indian Discoms has been a cause of concern not only for the power sector, but also for the government. Cross-subsidising of power, high aggregate technical and commercial (AT&C) losses, poor customer services, unreliable supply have over the years adversely impacted the financial

health of the Discoms, while having a cascading effect on the entire power sector and the consumers. Despite government's intervention, marked by schemes like UDAY and Integrated Power Development Scheme, many State Discoms are still reeling under huge financial stress and operational inefficiencies

**Q Being a Discom, in your view, what should be done from the government's end to tackle the issues related to tariff?**

The Government's policies pertaining to distribution of power needs to encourage private sector participation through Public Private Partnership route of Franchisee model so that fundamental transformation and changes takes place in the existing distribution system being run and operated by State Government owned Discoms. This will not only benefit the consumers with better services and cost effective supply but also the whole power sector along with the related economic and industrial growth. The government needs to revisit and revise the power distribution guidelines in the National Electricity Policy.